

FINAL REPORT
OF THE
CHARITY GAMING STUDY COMMITTEE



Indiana Legislative Services Agency
200 W. Washington Street, Suite 301
Indianapolis, Indiana 46204

November, 2011

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2011

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A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

I. STATUTORY AND LEGISLATIVE COUNCIL DIRECTIVES

The Indiana General Assembly enacted legislation (IC 2-5-31.9) directing the Committee to study the following:

- (1) The requirements for obtaining a charity gaming license.
- (2) Whether qualified organizations should be permitted to use charity gaming proceeds to pay the salaries and benefits of the qualified organization's employees.
- (3) The reporting requirements for conducting charity gaming events.
- (4) Whether qualified organizations should be permitted to conduct charity gaming events more frequently.
- (5) The hours in which charity gaming events may be conducted.
- (6) Issues related to licensing and regulating national organizations and their affiliates.

II. INTRODUCTION AND REASONS FOR STUDY

Indiana permits qualified organizations to conduct games of chance for fundraising purposes. The general rule is that only organizations that have existed in Indiana for at least five years may obtain a license to engage in charity gaming as the term "qualified organization" is defined by IC 4-32.2-2-24. The Committee studied whether this requirement and others impose undue burdens on some national organizations.

The games of chance played under the charity gaming law are under the regulatory authority of the Indiana Gaming Commission. Qualified organizations must acquire many forms of personal property used in their charity gaming operations from licensed suppliers. The Committee also studied an electronic pull tab machine which was demonstrated by an applicant seeking a supplier's license to distribute the machine in Indiana.

III. SUMMARY OF WORK PROGRAM

The Committee met on the following occasions:

- (1) October 18, 2011.
- (2) October 25, 2011.
- (3) October 31, 2011.

This report was adopted at the October 31 meeting with the consent of the eight voting members present at that meeting. There were no objections to the adoption of this report.

IV. SUMMARY OF TESTIMONY

The Committee heard testimony from the following:

- (1) The Indiana Gaming Commission, describing the requirements for participating in charity gaming and the Commission's recent disciplinary activity.

- (2) State Representative Mark Messmer, who presented a proposal to create a single license under which national sporting and conservation organizations could conduct charity gaming events through their Indiana affiliates.
- (3) Numerous individuals from some of the organizations covered by Rep. Messmer's proposal, who described their particular frustrations with charity gaming and urged the Committee to recommend the proposal to the General Assembly.
- (4) State Senator Jean Leising, who urged the Committee to support simplification of the licensing and reporting requirements in charity gaming.
- (5) An organization that asked for legislation allowing qualified organizations to conduct raffles without having to obtain a license.
- (6) Representatives of a company seeking a supplier's license to distribute an electronic pull tab machine in Indiana.
- (7) The Indiana Gaming Commission, describing the legal questions, regulatory challenges, and public policy concerns raised by the company's application.
- (8) Executive Director Ernest Yelton, who reported that the Indiana Gaming Commission has already begun evaluating its procedures and form requirements to identify ways to simplify the process of becoming licensed and conducting charity gaming events.

V. COMMITTEE RECOMMENDATIONS

The Committee made the following recommendations:

- (1) That the Indiana Gaming Commission identify ways that the Commission can streamline the licensing and reporting requirements of charity gaming administratively.
- (2) That the Indiana General Assembly amend IC 4-32.2-2-24 to reduce the number of years that an organization must exist in Indiana before becoming eligible to engage in charity gaming from five years to three years.
- (3) That the Indiana Gaming Commission continue to communicate with interested parties to identify other ways to improve charity gaming.
- (4) That for the purposes of charity fundraising under IC 4-32.2, the Indiana Code should not be construed to permit the introduction of a machine or device which has similar characteristics of an electronic gaming device permitted under the riverboat gambling law.

WITNESS LIST

Mr. Jason Barclay, Barnes & Thornburg
Mr. Joe Borders, Ducks Unlimited
Mr. Bill Breslo, Diamond Game
Mr. Jim Breslo, Diamond Game
Mr. Brian Burdick, Barnes & Thornburg
Mr. Kent Burget, Pheasants Forever
Mr. Jack Corpuz, Ruffed Grouse Society
Mr. Larry Delaney, Indiana Gaming Commission
Mr. George Faerber, Ducks Unlimited
Mr. Dean Farr, Indiana Sportsmen's Roundtable
Ms. Diane Freeman, Indiana Gaming Commission
Mr. Steve Gage, National Wild Turkey Federation
Mr. Phillip Gray, National Rifle Association Foundation
Mr. Joby Jerrells, Indiana Gaming Commission
Senator Jean Leising
Representative Mark Messmer
Mr. Brian Nentrup, Quality Deer Management Association
Ms. Jenny Reske, Indiana Gaming Commission
Mr. Chris Robertson, Diamond Game
Mr. Grant Schimmele, National Wild Turkey Federation
Mr. Mark Shublak, Ice Miller
Ms. Ashley Varner, National Rifle Association-Institute for Legislative Action
Mr. Richard Wyatt, Pheasants Forever
Hon. Ernest Yelton, Indiana Gaming Commission